

UNITED STATES SENATOR · MICHIGAN

DEBBIE STABENOW

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U.S. Senator Debbie Stabenow Joins Families USA in Releasing Report on Drug Company Expenditures

Study Shows Pharmaceutical Industry is Most Profitable in the Nation, Pays CEOs an Average Annual Salary of Nearly \$21 Million

WASHINGTON—U.S. Senator Debbie Stabenow (D-MI) today joined a number of her colleagues, including Senators Ted Kennedy (D-MA), Bob Graham (D-FL) and Zell Miller (D-GA), as well as Ron Pollack, Executive Director of Families USA, in releasing "Profiting from Pain: Where Prescription Dollars Go," a new Families USA report that shows the pharmaceutical industry is the most profitable in the nation, paying its CEOs an average annual salary of nearly \$21 million.

"\$21 million CEO salaries are a far cry from the poverty-level wages many seniors are being forced to live on in order to afford the skyrocketing price of their prescription drugs," said Stabenow. "To me, this is a matter of corporate responsibility. It is simply irresponsible for pharmaceutical corporations to force seniors to pay astronomical prices for the medications they desperately need while they pay their CEOs enormous salaries supplemented with millions more in stock options. This has got to stop."

According to the report released today by Families USA, the leading national consumer health organization, the pharmaceutical industry has been the most profitable industry in America for each of the past ten years and, in 2001, was five-and-one-half times more profitable than the average Fortune 500 company. The report also shows that, last year, pharmaceutical corporations spent almost two-and-a-half times as much on marketing, advertising and administration as they did on research and development.

"The pharmaceutical industry contends that the high prices it charges us are necessary to finance research and development, but this report shows us otherwise. We pay the pharmaceutical corporations at the prescription counter and through billions of dollars in taxpayer subsidies. And they, in turn, spend more than twice as much on advertising and marketing techniques as they do on research and development. This is simply not acceptable," said Stabenow.

Copies of the Families USA Report are available upon request.